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November 5, 2004

VIA HAND DELIVERY AND E-MAIL

Joan Foster Evans
Hearing Officer
Department of Telecommunications and Energy
One South Station
Boston, Massachusetts 02110

Re: *D.T.E. 04-61 - Petition of Boston Edison Company and Commonwealth Electric Company for Approvals Relating to the Termination of Purchase Power Agreements with MASSPOWER*

Dear Ms. Evans:

I am writing on behalf of the Cape Light Compact ("Compact") to register the Compact's objection to the September 30, 2004 ruling in the above-referenced matter denying the Compact's petition to intervene as a full party. Despite its objections, which are discussed below, the Compact elected not to incur the expense of appealing the ruling and will participate in the proceeding as a limited participant. However, given the Compact's prior history of participation as an intervenor in Department of Telecommunications and Energy ("Department") proceedings and the likelihood that it will seek to intervene in future dockets, it felt it important to formally state its position that the ruling is legally and factually in error.

The ruling represents an unfortunate departure from Department practice. At the outset, it is important to note that the Compact's petition sparked no opposition from the petitioners, the Attorney General or any other party, and it is rare that the Department would deny a petition in such circumstances. Substantively, the ruling does not recognize the Compact's special authority, distinct from the authority of the Attorney General and distinct from any particular individual ratepayer, as a regional representative of the interests of all ratepayers on the Cape and the Islands, all of whom are within the service territory of Commonwealth Electric Company. The ruling likewise misses an opportunity to recognize that transition cost policy is part and parcel of a regulatory framework that can affect the development of a competitive electric market that will

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support the success of the Compact as a municipal aggregator. The ruling unfortunately places no significance on the Compact's position as the only large-scale aggregator of residential and small commercial and industrial consumers (among others) participating in deregulated generation markets. And the ruling misses an opportunity to recognize the salutary effects of an inclusive intervention policy on such things as the development of a robust discovery record and the incentive for the parties to engage in an efficient, constructive settlement process.

For these and other reasons, the Compact believes the ruling is incorrect and unwise. It hopes that the ruling is an unfortunate product of very unique circumstances and looks forward to playing a constructive role – where appropriate, as a full party – in future dockets affecting the interests that the Compact is authorized to protect.

Sincerely,

Jonathan S. Klavens

JSK/mej

cc: Secretary Mary Cottrell (via e-mail and first class mail)
Andrew Kaplan, General Counsel (via e-mail and first class mail)
Service List, D.T.E. 04-61 (via first class mail)